

**MINUTES OF THE MEETING OF THE
ROWAN COUNTY BOARD OF COMMISSIONERS**

June 18, 2012 – 6:00 PM

J. NEWTON COHEN, SR. ROOM

J. NEWTON COHEN, SR. ROWAN COUNTY ADMINISTRATION BUILDING
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Present: Chad Mitchell, Chairman
Carl Ford, Vice-Chairman
Jon Barber, Member
Raymond Coltrain, Member
Jim Sides, Member

County Manager Gary Page, Clerk to the Board Carolyn Athey, County Attorney Jay Dees and Finance Director Leslie Heidrick were present.

Chairman Mitchell convened the meeting at 6:00 p.m.

Commissioner Mitchell provided the Invocation and also led the Pledge of Allegiance.

CONSIDER APPROVAL OF THE MINUTES

Commissioner Barber moved, Commissioner Coltrain seconded and the vote to approve the minutes of the June 4, 2012 Commission Meeting passed unanimously.

CONSIDER ADDITIONS TO THE AGENDA

There were no additions to the agenda.

CONSIDER DELETIONS FROM THE AGENDA

Commissioner Sides moved to remove agenda item #8 (Consider Terms for Sale of Fairgrounds Property). The motion was seconded by Commissioner Ford.

Chairman Mitchell said the issue was being removed at the request of the Fair Association.

The motion passed 4-1 with Commissioner Barber dissenting.

CONSIDER APPROVAL OF THE AGENDA

Commissioner Sides requested to put Consent Agenda items A and B on the regular agenda for discussion.

Chairman Mitchell placed the items on the regular agenda as items 11a and 11b respectively.

Commissioner Sides moved, Commissioner Barber seconded and the vote to approve the agenda passed unanimously.

1. CONSIDER APPROVAL OF CONSENT AGENDA

Commissioner Sides moved approval of the Consent Agenda. The motion was seconded by Commissioner Barber and passed unanimously.

The Consent Agenda consisted of the following:

- A. Renewal of Alpha Air Service, LLC Limited FBO Agreement (moved to agenda item #11a for discussion)
- B. Lease Agreement for Purchase of Swaim Property on Rowan Mill Road (moved to agenda item #11b for discussion)
- C. HCCBG Funding Plan
- D. Use of Pyrotechnics for Fireworks Display for Tamarac Marina
- E. Acceptance of Pesticide Grant for FY 2012-13 for Environmental Management

2. PUBLIC COMMENT PERIOD

Chairman Mitchell opened the Public Comment Period to entertain comments from any citizens wishing to address the Board. The following individuals came forward:

- Jeannie Moore addressed the board on behalf of the Rowan Cabarrus Community College (RCCC) funding request.
- Mike Murray, previously with Buckshots, asked the Board to instruct Planning Staff to consider revamping the noise ordinance.
- William McCubbins quoted Bible scriptures and spoke in opposition to homosexuality.
- Larry Wright asked the Board to keep the citizens in mind as it deliberated on the budget. Mr. Wright also discussed the candidates for the upcoming second primary.

With no one else wishing to address the Board, Chairman Mitchell closed the Public Comment Period.

3. PUBLIC HEARING FOR PROPOSED ROAD NAME OF WILCOY PARK DRIVE

Planning Technician Fredda Greer said a road located northwest off the 300 block of Wilcoy Road was currently unnamed. Ms. Greer stated there are four (4) addressed mobile homes along the road, which require the road to be named. Ms. Greer said the property owner of the mobile home park was notified and given thirty (30) days for input in the road naming process. No response was received; therefore, Staff proposed to name the road Wilcoy Park Drive.

Chairman Mitchell opened the public hearing to receive citizen input regarding the proposed road name. With no one wishing to address the Board, Chairman Mitchell closed the public hearing.

Commissioner Sides moved, Commissioner Coltrain seconded and the vote to approve the road name of Wilcoy Park Drive passed unanimously.

4. PUBLIC HEARING FOR PROPOSED ROAD NAME OF AVERAGE DRIVE

Planning Technician Fredda Greer said a road located northwest off the 200 block of Wilcoy Road was currently unnamed. Ms. Greer stated there are five (5) mobile homes along the road, which require the road to be named. Ms. Greer said the property owner of the mobile home park was notified and given thirty (30) days for input in the road naming process. No response was received; therefore Staff proposed to name the road Average Drive.

Chairman Mitchell opened the public hearing to receive citizen input regarding the proposed road name. With no one wishing to address the Board, Chairman Mitchell closed the public hearing.

Commissioner Sides moved, Commissioner Coltrain seconded and the vote to approve the road name of Average Drive passed unanimously.

5. QUASI-JUDICIAL PUBLIC HEARING OFR Z 22-03 & CUP 10-04

Chairman Mitchell read the Chairman's Speech (Exhibit A) and declared the public hearing for Z 22-03 and CUP 10-04 to be in session. Chairman Mitchell said the hearing would focus on an application submitted by Andy Frick for his property located at 735 Gin Road. The purpose of the application was to consider amending Mr. Frick's conditional use district to accommodate a revised site plan and establish a vested status of five (5) years for the Blandy Hardwoods operation.

The Clerk swore in those wishing to provide testimony in the case.

Senior Planner Shane Stewart presented the Staff Report (Exhibit B) and also a power presentation (Exhibit C) as he discussed the request. Mr. Stewart explained that on March 2, 2009, the Board of Commissioners unanimously approved a request to modify conditions for a previously approved conditional

use district allowing four (4) dry kilns and two (2) warehouse structures totaling 17,000 square feet, one of which would house a planer, for Blandy Hardwoods located at 735 Gin Road in Gold Hill. By July of 2010, two (2) kilns were installed along with the warehouse structures and a planer.

In April of 2012, Blandy Hardwoods owner Andy Frick discussed his plans with Planning Staff for installing the remaining two (2) dry kilns. Mr. Stewart said it was discovered that the proposed southernmost kiln would extend within the 400' separation noted as a condition of approval. As a result, Mr. Frick obtained a zoning permit only for the northernmost kiln and later decided to request a modification to his conditional use district. Mr. Stewart said Mr. Frick has requested to modify the south setback line for the dry kilns / planer from 400' to 350' to accommodate the remaining kiln previously approved, two (2) additional warehouse structures totaling 12,000 square feet each, four (4) "T" sheds totaling 5,000 square feet each, and establishing a vested right period of five (5) years to complete the project.

Using the power point presentation (Exhibit C), Mr. Stewart showed the property in question as well as the surrounding areas.

Mr. Stewart reviewed the Zoning and Conditional Use Criteria contained in the Staff Report (Exhibit B).

Mr. Stewart recommended the Commissioners develop a statement analyzing the reasonableness of their decision since the request was a modification of an existing conditional use district and a statement addressing consistency with any applicable adopted comprehensive plan. Mr. Stewart explained that procedurally, the statements must be developed prior to making a decision to approve or deny the request. Mr. Stewart said the Staff Report (Exhibit B) also contained an attachment of the previous findings of fact that might be applicable with the current request.

Mr. Stewart said if the Board approved the request, Planning Staff recommended maintaining 80' of the existing trees between the Beck line and the "T" sheds and continuing the double row of Green Giant evergreen trees between the existing tree line and the "T" sheds and maintain the existing conditions previously approved.

Mr. Stewart said the Planning Board considered the request on May 22, 2012. Adjoining property owner Dave Ingram expressed concerns with the operation; however, he was not opposed to the request. Mr. Stewart said Mr. Ingram expressed a desire to preserve the previous conditions established in 2009. Mr. Stewart said the Planning Board voted unanimously to recommend approval as presented while maintaining the previous conditions of approval from 2009 based on the following recommended statements:

Consistency: In accordance to the Eastern Land Use Plan this site, located in Area Three, is consistent with the intended industrial activities and business development that is currently operating in the surrounding area. With the current IND-CUP of 2005 and the amendment of 2009 being redefined by the Eastern Land Use Plan, this property has been brought into compliance with the current new zoning with the current conditional use criteria.

Reasonableness: In accordance with Section 21-362(j) of the Rowan County Zoning Ordinance and after due consideration the Planning Board advises the Z 22-03 and CUP 10-04 Amendment request is reasonable and in the public interest for the following reasons:

- 1. The Eastern Land Use Plan designates that this zoning is in compliance with surrounding area with like type businesses in current production.*
- 2. The land tract is adequate for the type of business operating currently and is compliant with the required conditional use criteria issued in 2005.*
- 3. The current operation on the land has caused no negative impact to the roads, utilities or schools. The adjacent residences have expressed no negative impact since operation began in 2000 and have expressed no concern over future operation of the facility with the requested changes to the original CUP for set back requirements.*
- 4. With the recommended screening now in place and new screening as it grows, the use will not create significant visual impact to the adjoining properties of passing traffic.*
- 5. Although dust and noise will be generated by the operation, it should remain at current and acceptable levels as compared to other similar operations in the area.*
- 6. This land use presents no safety hazard to the general public.*

The following individuals came forward to address the Board:

- Andy Frick said he was trying to improve and develop a game plan for what could be done on the site. Mr. Frick said the changes would improve the appearance of the area. Mr. Frick said his business was trying to keep up with the market in the area. Mr. Frick said he exports approximately 60% of the lumber and he explained that the lumber could not have drying defects. The improvements would protect the lumber.
- David Ingram of 780 Gin Road said he was concerned with the county ordinance requirements for Type B buffers. Mr. Ingram said he did not have anything against the expansion; however, he expressed concern for the Board to maintain the previous conditions approved in March of 2009. Mr. Ingram said Mr. Frick had planted trees and the trees were growing well and being maintained by Mr. Frick. Mr. Frick requested that the Board keep the 80' buffer as it is through future expansions.

With no one else wishing to address the Board, Chairman Mitchell closed the public hearing.

Commissioner Sides moved to approve the Findings of Fact as presented and to adopt the recommended Statements of Reasonableness and Consistency. The motion was seconded by Commissioner Barber and passed unanimously.

The Findings of Fact were as follows:

1. The development of the property in accordance with the proposed conditions will not materially endanger the public health or safety.

FACT: By adhering to the approved driveway permit and conditions thereof, this site has a safe and adequate vehicular access for the intended use.

FACT: Blandy Hardwoods is located approximately .57 miles away from a water point source sufficient for fire protection as indicated by Alan Cress, Fire Chief of the Rockwell Rural Fire Department.

2. That the development of the property in accordance with the proposed conditions will not substantially injure the value of adjoining or abutting property, or that the development is a public necessity, and;

FACT: No material evidence was presented suggesting this request would injure property values.

3. That the location and character of the development in accordance with the proposed conditions will be in general harmony with the area in which it is located and in general conformity with any adopted county plans.

FACT: This request is only a minor deviation from the previous approval in 2005, which was deemed compatible with the surrounding area.

FACT: With the exception of the 500' separation standard, rear storage, and the business owner living on the property, this use is permitted by right in the RA zoning district.

FACT: Several other lumber related industries are located within ½ mile of this site.

FACT: Based on the planer enclosure, separation standards, screening, and the existing building, this expansion will not detract from the character of the surrounding area.

Commissioner Sides moved to approve Z 22-03 and Cup 10-04 Amendment as presented with the conditions as established by Planning Staff. The motion was seconded by Commissioner Barber and passed unanimously.

6. PUBLIC HEARING FOR PROPOSED FIRE DISTRICT BOUNDARY CHANGES

Emergency Services Director Frank Thomason reported that Fire Division Staff had been working to resolve some fire insurance rating district issues that had arisen. Mr. Thomason explained that ever since the state and/or the Insurance Services Office (ISO) began rating fire districts for response protection, the entities used manual and mechanical methods to calculate response distance from the nearest fire station. Mr. Thomason said with the advent of GIS, the measuring has become extremely more accurate than ever before.

Mr. Thomason said the difference in methods had caused gaps in what was earlier believed to be a particular fire district's insurance boundary to what is the more accurate result today. Mr. Thomason said the identified gaps have the potential for individual home or business owner's property insurance rating to rise or change from what they currently enjoy.

Staff has reviewed the numerous affected areas across the county along with the fire districts that are involved. The goal has been to develop recommendations that the properties in question be placed into a fire district with the lowest insurance rating possible to provide the largest benefit to the property owners.

Mr. Thomason asked staff member Deborah Horne to review the proposed fire district changes.

Ms. Horne reported that 9 areas were affected involving 2 fire departments. Ms. Horne said required petition letters were sent to 343 property owners of the 9 areas. Ms. Horne said only 1 area received the needed two-thirds property owner signatures and was eligible to be changed. Ms. Horne explained that the remaining areas not receiving sufficient signatures could be reclassified to a 6 mile area to prevent reduction to a Class 10 rating. Ms. Horne said Staff was recommending 7 fire districts be given a 6 mile district.

Using a power point presentation, Ms. Horne showed maps of the affected areas as follows:

Fire Tax Districts that will receive the 6 mile overlay -

- Bostian Heights
- Miller Ferry
- Locke

Service Districts that will receive the 6 mile overlay -

- Atwell

- Cleveland
- West Rowan
- West Liberty

In summary, Ms. Horne recommended the Board hold the public hearing for approval of changes to the South Rowan Service District; hold the public hearing for approval of McKnight Road to Locke Township Fire District; and recommend approval of 6 mile districts.

Ms. Horne confirmed to Commissioner Coltrain that the lower the ISO rating, the better the homeowners insurance would be.

In response to an inquiry from Commissioner Ford, Ms. Horne said the Landis area in question had emergency services stations on both sides of the railroad.

Commissioner Sides commented that the County was basically helping the citizens, whether they had responded or not.

Chairman Mitchell opened the public hearing to receive citizen input regarding the proposed fire district boundary changes. With no one wishing to address the Board, Chairman Mitchell closed the public hearing.

Commissioner Coltrain moved to approve the South Rowan Service District change, the McKnight Road to Locke Township Fire District and approval of the recommended 6 mile district.

7. CONSIDER ADOPTION OF FY 2012-13 OPERATING BUDGET

Chairman Mitchell said the Board had held one budget work session thus far and a few decisions had been made. Chairman Mitchell then opened the floor for discussion on the remaining budget issues.

CHARLOTTE REGIONAL PARTNERSHIP

Chairman Mitchell began the discussion on the Charlotte Regional Partnership (CRP) by saying Ronnie Bryant, President and CEO of the CRP, had asked for the opportunity to address the Board. Chairman Mitchell said the Board was considering not renewing its membership in the CRP for FY 2012-2103.

Mr. Bryant also introduced Tony Almeida, a retired Duke Energy executive and resident of Rowan County, and also a former Chairman of the CRP.

Mr. Bryant distributed a handout and highlighted the return on investment the CRP provides for its membership. Mr. Bryant went on to explain that approximately twenty-one years ago the CRP was created in an effort to establish a regional presence for Charlotte USA. Mr. Bryant said a substantial amount of the growth and development had happened in the region with multi-jurisdictional economic development activity. Mr. Bryant said that by

representing a region of 2.6 million people, 9,000 square miles, sixteen counties across two states representing 134 municipalities, the CRP had become one of the most competitive markets in the country.

Mr. Bryant said the CRP had 94 members representing Public and Private sectors. Mr. Bryant said that every county had a representative on the board and the EDC Advisory Committee had four seats. Mr. Bryant said his job was to ensure that expectations were met and provide a return on the investment and help the region to continue to grow as it relates to job creation and development. Mr. Bryant said one of the misnomers was the CRP was responsible for new business locating within individual counties. Mr. Bryant said his job was not to negotiate a successful project in any of the counties, but to give the EDC's around the region projects to negotiate on.

Mr. Bryant said he provided the same representation for each county in every meeting when he traveled. Mr. Bryant said the membership fee was one of the best \$40,000 that could be spent as it related to economic development.

Mr. Bryant then deferred to Robert Van Geons, Rowan County Economic Development Director, to address any questions. Mr. Van Geons said the EDC board was asked to evaluate the relationship with the CRP. Mr. Van Geons said the EDC recommended the inclusion of CRP membership fee in the next fiscal year's budget. Mr. Van Geons said it was important to realize that a significant amount of value had been received in the past from the CRP with regards to projects.

Mr. Van Geons stated that in response to concerns, the CRP had made a significant number of changes that were in place or were underway with regards to allocating more aggressive funding for economic development, for segregating the public sector dollars to economic and business development activities and the proposed MOU that was put in place that the EDC would be signing. Mr. Van Geons said that there had been a couple of different compromises or ideas floating should the County decide to rejoin the CRP. Mr. Van Geons said it was ultimately the Boards' decision but the EDC had proposed to raise the funds from the private sector for the current year's dues that were required under the CRP's current payment policy. Mr. Van Geons said there would be no tax dollars spent this current year for the CRP. Mr. Van Geons said without an effective regional economic development entity and without the leverage marketing effort, the County was lessened to the competition. Mr. Van Geons felt the CRP was making changes and he felt the County could begin to feel good about the investment in the CRP.

Mr. Tony Almeida said he was past chair of the CRP, past member of the Duke Energy Management Team, but most importantly a citizen of Rowan County. Mr. Almeida said that the County had many assets when it came to being competitive, recruiting investments and bringing in new jobs. Mr. Almeida said in his years with Duke he had the opportunity to work with 50-60 EDC boards

among North and South Carolina and Mr. Van Geons was one of the top ten. Mr. Almeida reiterated the value the CRP provided and he said the projects being brought were important and that the research capabilities all go together for a very good return on investments. Mr. Almeida said it was important for the County to get that return on investment as the budget was considered for 2012-2013.

Commissioner Sides said he would not consider rejoining the CRP if there were any conditions requiring last year's dues to be paid. Commissioner Sides said there was concern from the Board that the CRP did not meet the expectations of its own board. Commissioner Sides said the Commissioners had understood from the CRP the County would not have to pay the current fiscal year's dues and the County would be welcomed back into the CRP. Commissioner Sides said the matter then went before a second CRP board that said the County would have to pay or the County could not come back. Commissioner Sides said based on those decisions and seeing no changes in what caused the County to pull out of the CRP, he would not vote to rejoin.

Mr. Bryant responded by explaining the CRP's governing boards and bylaws. Mr. Bryant stated that any action taken by the CRP would first be vetted at the committee level and next the recommendation would be taken into consideration by the executive committee before being sent to the full board.

Mr. Bryant said Tony Almeida, incoming Chair Alan Dexter, Steve Fisher, along with himself, met with Chairman Mitchell, Commissioner Ford, and County Manager Page and worked through a revised proposal that was thought to mitigate some of the concerns. Mr. Bryant said the ultimate goal was for Rowan County to be a part of the CRP. Mr. Bryant said the negotiation resulted in a recommendation that 50% of this year's payment, roughly \$20,000, be waived and the remaining \$20,000 would be paid in two (2) payments. Mr. Bryant said this renegotiated plan was first taken to the EDC Advisory Committee, which was unprecedented, and presented by himself, the first vice chair Alan Dexter, and the current chairman Bret Carter. Mr. Bryant said in his seven years with the CRP he had never been in front of the EDC Advisory Committee presenting a proposal and asking for their approval. Ultimately, when the matter went to the full CRP Board, where there was a unanimous vote to require Rowan County to pay its current fiscal year dues.

Mr. Bryant said from the minute he was notified that Rowan County had voted to withdraw its membership, the County was over a quarter delinquent. Mr. Bryant said not one service was not available to the County since the discussions began and Rowan County had held a seat at the table. Mr. Bryant said his conscience was clear in how the matter had been handled.

Mr. Bryant asked Mr. Almeida to address Commissioner Sides' concerns with Mr. Bryant's salary and bonus compensation. Mr. Almeida said the CRP wanted a

compensation program that was externally competitive and performance driven. Mr. Almeida said Mr. Bryant had been through a period where his salary was decreased and no bonuses were given. Mr. Almeida discussed Mr. Bryant's performance over recent years and explained that Mr. Bryant had increased private sector funding. Mr. Almeida said Rowan County's concerns of tax dollars being used to fund Mr. Bryant's bonus of \$64,000 were heard loud and clear. Mr. Almeida said changes were made to the policy and no public sector tax dollars would be used for salaries.

In response to several inquiries by Chairman Mitchell, Mr. Almeida confirmed Mr. Bryant's salary was \$258,000 and the bonus he had received was \$64,000.

Chairman Mitchell inquired as to the rating Mr. Bryant received on the balance score card that was used to evaluate his job performance. Mr. Almeida said he thought the score was 88%.

Mr. Bryant explained that his performance was based on more than the balance score card. Mr. Bryant said year to year there is the Chairman's evaluation that takes place. Mr. Bryant said the Chairman sets goals for him at the beginning of the year that he must meet.

Chairman Mitchell asked Mr. Bryant what the score was on his balance score card and Mr. Bryant said 88%. Chairman Mitchell asked Mr. Bryant if he was certain the score was not 80.6% and Mr. Bryant said he could not swear to it. Chairman Mitchell said the balance score card was indeed 80.6%.

Chairman Mitchell asked if the bonus was ever discussed with the Compensation Committee. Mr. Bryant said the bonus was discussed at the Compensation Committee level and no decision was made. The bonus discussion was deferred to the Board Operations Committee, which is where the vote was taken.

Chairman Mitchell asked Mr. Bryant if he delivered a self evaluation letter that indicated he deserved a 25% bonus and Mr. Bryant said no.

Chairman Mitchell asked if part of the justification for the bonus was that \$237,000 additional dollars was raised from one year end to another. Mr. Bryant said the dollar amount represented approximately 230 plus percent of the budget relative to the private sector amount that was placed there at the beginning of the year. Mr. Bryant said due to declining state revenue, the organization worked diligently to increase private sector revenue. Mr. Bryant said additionally, for the first time, there was a reserve now exceeding \$80,000 plus for that particular fiscal year. Mr. Bryant said CRP felt Mr. Bryant had worked to improve the fiscal position of CRP after coming out of a significant period when 401k plans were frozen and staff salaries were reduced.

Chairman Mitchell provided figures regarding the CRP's previous year end financials. Chairman Mitchell said there appeared to have been a net gain of approximately \$50,000 and then a \$64,000 bonus was given.

Mr. Bryant responded that the true net was different than some of the numbers reported by Chairman Mitchell. Mr. Bryant said the annual audit for the year in question showed a different picture. Mr. Bryant said \$80,000 was put in the bank and then the bonus was paid.

Chairman Mitchell expressed concern pertaining to the question of process and also with giving a \$64,000 bonus for a "C" rating on the balance score card.

Mr. Almeida expressed hope that the County would look to the future and the fact that policy changes were made.

Mr. Van Geons said Mr. Bryant was right in that CRP was on better financial footing than in previous years and was much more stable.

Chairman Mitchell asked if it was correct that CRP would not meet its goals for new business and projects for the year despite the bar being lowered 30% for every year since 2008-09. Mr. Van Geons confirmed it appears to be the case.

Chairman Mitchell said the CRP receives approximately \$45,000 in state funding. Chairman Mitchell asked what level of service Rowan County could expect for the \$45,000 that is paid in Rowan County's name. Mr. Bryant said the payment policy approved by the CRP clearly outlined the difference between what state funding provided and what the County's additional funding provided. Mr. Bryant said Rowan County would still be part of the Charlotte region and still be represented on the CRP website; however, he said the County's sites and buildings would not be listed in the CRP database. Mr. Bryant said CRP staff would not be actively engaged in bringing project to Rowan County nor would the County have a seat on the CRP Board.

Commissioner Sides said Mr. Bryant indicated the County had made no payment for 2011-12. Commissioner Sides pointed out that the County had made a \$45,000 payment through the State and the CRP was well paid for any services provide for Rowan County. Commissioner Sides said the only way the CRP would receive a 5-0 vote from the Commissioners to rejoin the CRP was for the CRP to waive the current year's dues. Commissioner Sides said the County would not pay private funds or otherwise for 2011-12. Commissioner Sides said if the County decided not to rejoin, the County would ask the State Legislature to pull the money and send it to the County.

Commissioner Coltrain said the CRP had recognized the questions and concerns of the Board and had implemented changes as a result. Commissioner Coltrain said the County continued to receive benefits from being part of the CRP without

having paid dues. Commissioner Coltrain felt the County should continue its' membership in 2012-13 and pay for the dues/services the CRP provided to the County in 2011-12.

Commissioner Sides said the \$45,000 from the State well compensated the CRP for the services provided last year. Commissioner Sides said it disturbed him when committees controlled matters.

Commissioner Barber said the Board's original concerns had been addressed and policies had been changed. Commissioner Barber felt there were checks and balances now in place and tax dollars would go towards economic development efforts. Commissioner Barber said if the \$45,000 from the State was given to the Rowan County Economic Development Commission (EDC), the money would not stretch as far as the dollars going to the CRP.

Commissioner Ford said he was not interested in rejoining the CRP if the County had to pay past dues.

Commissioner Sides moved that if the CRP would come back and say the County did not have to pay past dues, and the EDC did not raise funds for the effort, he would make a motion to rejoin the CRP for 2012-13. The motion was seconded by Commissioner Ford and passed 3-2 with Commissioners Barber and Coltrain dissenting.

Chairman Mitchell called for a recess at 7:40 p.m.

Chairman Mitchell reconvened the meeting at 7:55 p.m.

EMPLOYEE COMPENSATION

Chairman Mitchell asked the Board to review the email submitted from Human Resources Director Darlene Boling in an effort to reach a consensus for a method of rewarding the County's employees.

Commissioner Sides asked the Board to consider not rewarding employees that were hired in the past 3 years and by consensus the Board members agreed.

After discussing the various options in Ms. Boling's email, the Board requested that Ms. Boling give a quick estimate as to what it would cost to provide raises based on the following plan:

3 years less than 5 years	1 %
5 years less than 10 years	1.5%
10 years less than 15 years	2%
15 years plus	2.5%

Ms. Boling said she would calculate the figures and report back to the Board later in the meeting.

SCHOOLS

Chairman Mitchell said the schools had lost students and as a result the County Manager had recommended reducing the schools allocation by \$481,000.

Commissioner Sides preferred to allow the \$481,000 to be eliminated from the schools to maintain the \$1,565 per student and put the \$481,000 back into the budget for an EMS station in the western portion of the County.

Commissioner Sides moved to follow the County Manager's recommendation. The motion was seconded by Commissioner Ford.

Commissioner Ford said the cost of utilities, etc. had not decreased and he could not support the recommendation.

Commissioner Barber said he could not support the motion right now; however, he might be willing to support some sort of hybrid.

Chairman Mitchell said the County could not replace the cuts made by the federal or state government. Chairman Mitchell referred to the \$375,000 classroom supply money that was taken away several years ago and put into the classroom to help retain teaching positions instead. Chairman Mitchell said the classroom supply money needed to go back to its original purpose. Chairman Mitchell recommended keeping the \$481,000 as a line item and if house budget passed and the school systems were held harmless, the money goes back to classroom supply funds. Chairman Mitchell said if the budget closer to the senate passed and districts were not held harmless, the money should be moved for positions.

Upon being put to a vote, the motion on the floor failed 2-3 with Commissioners Mitchell, Coltrain and Barber dissenting.

Chairman Mitchell moved to reallocate the \$481,000 into the schools line item and if a state budget closer to the house budget passed, which hold harmless school systems from lost federal money, that money would be used for classroom supply funds. The motion was seconded by Commissioner Barber.

In response to an inquiry from Commissioner Sides, Chairman Mitchell said the Board would take the funds as recommended by the County Manager, and would put the money back as classroom supply funds.

Commissioner Sides argued that the school system already received the \$375,000 as part of its allocation.

Chairman Mitchell then suggested for the Manager's proposed budget, the Board take the \$481,000, remove the \$375,000 line item, and out of the \$481,000 put it back in as supply money.

The motion passed 3-2 with Commissioners Sides and Ford dissenting.

RESCUE SQUAD

Commissioner Sides highlighted various issues he had with the Rowan County Rescue Squad (Squad). Commissioner Sides said the Squad was made up of 73 to 75 individuals and the Board of Directors (BOD) consisted of 9 members. Commissioner Sides said the Squad's chief was not appointed by the BOD but rather by the Squad, which were people the chief could hire or fire at will. Commissioner Sides said the chairman of the BOD was appointed by the squad and the current chairman had been in the position for a long time.

Commissioner Sides referred to a \$75,000 allocation first made several years ago, which he contended should have been a one-time contribution. Commissioner Sides also referred to a 2007 equipment purchase the Squad could not pay for. Commissioner Sides said the County had allocated \$84,000 that year to cover the equipment purchase and even though the debt had since been paid, the Squad continued to receive the \$84,000 each year.

Commissioner Sides said in 2006, the Squad refinanced its debt service payments. Commissioner Sides said in 2012 the Squad also refinanced its debt. Commissioner Sides said the debt service payment was not made in the current budget year and was rolled over into the refinancing. Commissioner Sides said by not making its debt service payment, the Squad netted \$78,000 by creating the refinancing.

Commissioner Sides said in 2007 when the Squad was allocated the \$84,000 (to cover its equipment purchase), it also netted \$111,000 by refinancing again.

Commissioner Sides continued to discuss additional refinancing agreements the Squad had entered. Commissioner Sides said the Squad's BOD wasn't told how funds were rolled over. Commissioner Sides talked about the significant interest amounts that would have been saved if the payments before the refinancing took place.

Commissioner Sides said the Squad was a very important agency in Rowan County and he did not want to discredit the people of the Squad who sacrifice for the job they do. Commissioner Sides continued by saying there were issues within the Squad that had to do with the fact the BOD did not control the chief.

Commissioner Sides recommended the Board have the Squad present a budget each year and the Commissioners review that budget to determine what their funding should be. Commissioner Sides said he wanted the \$84,000 back and

that he also had a problem with the amounts netted over the years with the various refinancing.

Commissioner Sides moved to fund the Squad for 2012-13 at \$350,000. Commissioner Sides said the motion was based on a requirement that the Squad agreed to change its bylaws where BOD was in charge of Squad for financial and procedural matters and the BOD would appoint their chief and their chairman. Commissioner Sides said the chief and the chairman must be accountable to the BOD to get funding. Commissioner Sides said if the Squad did not accept the changes, the Squad should be funded for 2012-13 at \$300,000. The motion was seconded by Commissioner Ford.

Commissioner Coltrain discussed the charge of the Rescue Squad Committee. Commissioner Coltrain said the Squad was an independent agency and the Commissioners should only encourage changes. Commissioner Coltrain did not feel the Commissioners should force the Squad to adapt to what the Commissioners wanted. Commissioner Coltrain said he was definitely in agreement that the bylaws and organization needed to be changed, and the BOD should elect its chief as well as make all operational decisions. Commissioner Coltrain said he could not support the motion.

Commissioner Ford asked if the vice-chair of the Squad was appointed or elected and Commissioner Sides said the vice-chair was appointed by the chairman.

Commissioner Barber said the Squad had unanimously approved its budget on April 19, 2012. Commissioner Barber said a discussion was held regarding the impact a reduction from the County would have on the Squad. Commissioner Barber said if the County cut \$75,000 from the Squad EMS would have to provide backup and increase its budget by approximately \$250,000 to compensate for the reduced allocation.

Commissioner Barber said he would need more information before he could make a decision. Commissioner Barber said there could be some possibilities to changing the Squad's bylaws if the Commissioners encouraged it as opposed to demanding it. Commissioner Barber also said the Squad might wish to be set up like the volunteer fire departments with a tax rate.

Upon being put to a vote, the motion on the floor passed 3-2 with Commissioners Barber and Coltrain dissenting.

EMPLOYEE COMPENSATION (CONTINUED)

As instructed by the Board earlier in the meeting, Ms. Boling returned to the podium to present additional information regarding two (2) compensation plans that had been proposed by the Board members.

Chairman Mitchell moved to support the second option as he felt it would truly address the compression issue. The motion was seconded by Commissioner Sides.

The option approved was to give employees a raise based on years of service as follows:

3 years less than 5 years	1%
5 years less than 10 years	1.5%
10 years less than 15 years	2%
15 years plus	2.5%

Commissioner Barber argued that the option he had presented addressed compression more effectively.

Commissioners Coltrain supported the motion; however he felt the Board could reward the employees even more.

Commissioner Ford also supported the motion.
Upon being put to a vote the motion passed 3-2 with Commissioners Coltrain and Barber dissenting.

INTERNAL AUDITOR/DEPUTY COUNTY MANAGER

The Board briefly discussed a new position for an Internal Auditor/Deputy County Manager and the majority felt the position should be left in the budget until a later date.

Chairman Mitchell moved to formalize the position in the budget. The motion was seconded by Commissioner Sides.

Commissioner Barber recommended outsourcing the auditing function.

Upon being put to a vote the motion on the floor passed unanimously.

PAPERLESS AGENDA SOFTWARE

Chairman Mitchell said the Board had discussed moving toward the implementation of paperless agenda software. Chairman Mitchell said staff had reported during the Board's annual planning work session that the maximum cost would be approximately \$32,000.

Chairman Mitchell moved to put the paperless agenda software purchase back into the budget with a cap of \$32,000 and if a cheaper option was available staff should pursue it. The motion was seconded by Commissioner Sides and passed unanimously.

TAX RATE

Commissioner Sides moved to leave the tax rate intact as proposed by the County Manager. The motion was seconded by Chairman Mitchell.

Commissioner Barber mentioned several budget matters the Board had approved and said he was still of the opinion the Board could cut the tax rate.

Commissioner Barber provided a power point presentation that outlined his viewpoint for lowering the tax rate.

Commissioner Barber moved to amend the motion on the floor and to cut the tax rate by ¼ cent. The amendment died for lack of a second.

Commissioner Ford said he would like to reduce taxes by one penny; however, he said he realized he would not get a second for such a motion.

Upon being put to a vote, the motion on the floor passed 4-1 with Commissioner Barber dissenting.

SPECIAL APPROPRIATIONS

- Commissioner Sides raised the issue of the NC Transportation Museum Fund. Commissioner Sides said the County Manager recommended an increase of \$8625. Commissioner Sides said the recommendation was based on the cuts they had already experienced and were facing. Commissioner Sides said it was his understanding the Legislature was going to put some of the money back.

Commissioner Sides moved to fund the NC Transportation Museum at the same level as last year, \$21,375. The motion was seconded by Commissioner Ford.

The motion failed 2-3 with Commissioners Mitchell, Barber and Coltrain dissenting.

- Commissioner Sides made a motion to accept the County Manager's recommendation of \$2500 to Prevent Child Abuse Rowan. Commissioner Ford seconded and the motion passed unanimously.
- Commissioner Sides moved to fund the Chamber of Commerce at \$2500, the same level as last year.

Commissioner Ford seconded and the motion passed 3-2 with Commissioners Barber and Coltrain dissenting.

- Commissioner Sides made a motion to accept the County Manager's recommendation for EDC funding if Rowan County withdraws from the

Charlotte Regional Partnership (CRP) and increase the EDC funding the difference between \$13,212 and \$40,362.

Chairman Mitchell asked for clarification and Commissioner Sides responded that if the County pulled out of the CRP, the EDC would receive the additional funding of \$13,212 and the amount that would come from the CRP.

Chairman Mitchell said if we pulled out of the CRP per the motion, the County would fund the local EDC at an additional \$40,362.

Commissioner Sides restated it was plus the \$13,212. Commissioner Sides said the EDC had done a good job in the last several years in promoting the County. Commissioner Sides said he had also been impressed with the way the EDC was promoting the Rowan County Airport.

Chairman Mitchell asked if there was a second to the motion to only increase the local EDC if the County ended up removing itself from the CRP.

Commissioner Sides responded that the motion was actually to give the \$13,212 to the EDC if the County stayed in the CRP. Commissioner Sides said if the County withdrew from the CRP, the EDC would get both monies.

In response to an inquiry from Commissioner Coltrain, Chairman Mitchell said he had no problem saying if the County ended up as not part of the CRP, the EDC would receive the \$40,000.

Commissioner Sides said that was his motion.

Commissioner Ford seconded and the motion passed unanimously.

Chairman Mitchell called for a recess at 9:35 pm.

The meeting was reconvened at 9:50 pm.

Chairman Mitchell said that there were six (6) funds/budget ordinances the Board needed to consider passing.

Fund 101

Chairman Mitchell moved approval of Fund 101 as amended. The motion died due to a lack of a second.

Fund 202

Commissioner Barber moved approval of Fund 202. The motion was seconded by Commissioner Sides and passed unanimously.

Fund 601

Commissioner Barber moved approval of Fund 601. The motion was seconded by Commissioner Coltrain and passed unanimously.

Fund 603

Commissioner Sides moved, Commissioner Barber seconded and the vote to approve Fund 603 passed unanimously.

Fund 501

Commissioner Barber moved, Commissioner Coltrain seconded and the vote to approve Fund 501 passed unanimously.

Fund 201

Chairman Mitchell said Fund 201 included two (2) requested increases from two (2) fire districts.

Commissioner Barber moved approval of Fund 201. The motion was seconded by Commissioner Coltrain.

Commissioner Coltrain asked if the fire departments had held public meetings and he also asked if the increase for Locke was due to the decrease in funding resulting from the people residing within the City of Salisbury. Commissioner Sides responded that only a small portion was due to the City of Salisbury.

Commissioner Ford said he heard that approximately five (5) people attended the Locke public meeting and there were maybe two (2) people attending at Ellis. Commissioner Ford said no one spoke in opposition. Commissioner Ford stated that Ellis was truly a volunteer department.

Commissioner Barber said Rowan County received its fire services cheaply. Commissioner Barber said Rowan County could never pay for the services provided. Commissioner Barber said it was worth noting the fine job by the departments.

Commissioner Barber also commended staff for their hard work on the budget.

Commissioner Sides said he was 100% in favor of the increase for Ellis. Commissioner Sides said he had intentions of attending Locke's public hearing; however, he did not receive notification as to when the meeting was. Commissioner Sides agreed with Commissioner Barber's comment that the County received fire coverage cheaply. Commissioner Sides said many of the fire departments had volunteers; however, Locke had paid personnel and part of

their increase was for personnel. Commissioner Sides said he would go ahead and support both tax increases, something he had never done.

Upon being put to a vote, the motion on the floor passed unanimously.

Chairman Mitchell said that a representative from Henkel Corporation had been patient with her time. Chairman Mitchell moved to Item #9, Consider Modification to existing agreement for Henkel Corporation.

At this point in the meeting, Chairman Mitchell recognized that a representative from the Henkel Corporation had been patiently waiting for the Board to discuss agenda item #9. Chairman Mitchell said he would like to skip to agenda item #9.

8. CONSIDER TERMS FOR SALE OF FAIRGROUNDS PROPERTY

This item was deleted from the agenda.

9. CONSIDER MODIFICATION TO EXISTING AGREEMENT FOR HENKEL CORPORATION

(Before beginning the discussion for the Henkel Corporation's agreement, Robert Van Geons, Executive Director of the Rowan County Economic Development Commission, referred to the Board's earlier discussion and confirmed that Ronnie Bryant, CEO for the Charlotte Regional Partnership, rated 80.6% on his balance scorecard).

Mr. Van Geons presented a revised modification request for "Project Stick." Mr. Van Geons said Henkel had added 75 new jobs and was actively recruiting additional employees.

Mr. Van Geons explained that Henkel was considering, in a new and separate expansion project (Project Reel), adding several million dollars in new equipment and creating a number of new jobs. Mr. Van Geons said the size and nature of the project would make it eligible for consideration as a separate and new project, under the County's existing Industrial Assistance Grant Program.

Mr. Van Geons stated that with the current Relocation and Expansion Assistance Agreement, the first payment was set to be made this fiscal year. Mr. Van Geons pointed out that if Project Reel were to apply for and be awarded a separate, five-year assistance agreement, the two agreements would overlap making it difficult to segregate the investment and job creation applied to each project.

Mr. Van Geons said the request was to delay a one-year onset of the current agreement, which would provide an expedient way to work with the company regarding the current project, while also incorporating the proposed additional investment and job creation.

Mr. Van Geons outlined some of Henkel's desires as to job creation and employment. Mr. Van Geons said that the Company had invested more than \$18 million dollars in the design, permitting, construction, and acquisition of facilities and equipment. Mr. Van Geons stated that with Project Reel included, the Company projects that the total real and personal property assessments would soon exceed \$28 million.

Mr. Van Geons summarized the following changes to the current Grant:

- The first year of the Grant would be based on assessed value as of January 1, 2012, as opposed to January 1, 2011.
- The grant payment would be in FY 2012-13 as opposed to FY 2011-12.
- The Company's investment would be recognized as increasing from \$24 million to \$28 million.
- The Company would create 108 new jobs by June 30, 2013, instead of 103.

Mr. Van Geons reviewed the following information:

- If the amendment was granted, the County would retain 100% of the \$140,600 the Company had paid in real and personal property taxes. Mr. Van Geons said that based on the current agreement, the Company would be eligible for an incentive grant of between \$25,000 to \$28,000, depending on their employment at the time of requesting payment.
- Both the current project "Stick" and the proposed project "Reel" combined would fall within the "level 1" category of the County's incentive policy.
- The City of Salisbury also had an almost identical agreement with the Company and the County was requesting the same minor modifications. It was hoped by Staff that the two agreements would continue to mirror each other with regards to timeline and general administrative procedures.
- Staff investigated the feasibility of potentially extending the number of years the grant was awarded at a lower grant amount.

Mr. Van Geons stated that since the announcement of this project in 2009, the Company had contributed more than \$325,000 of tax revenue and had been steady and consistent in creating quality, good paying jobs.

Katrina Brown, Plant Controller, said she was from Rowan County and had been at Salisbury plant since 2005. Ms. Brown said the plant was in direct competition with Asian companies and the incentive was important to help keep Henkel competitive.

Commissioner Coltrain moved approval of the modification of the Incentive Agreement with Henkel Corporation. The motion was seconded by Commissioner Barber.

Commissioner Sides thanked Ms. Brown for being a Rowan County resident and for being a great employer. Commissioner Sides explained that he was not

against Henkel; however, he had a fundamental problem with incentives in general and would be voting against the motion.

Upon being put to a vote, the motion on the floor passed 4-1 with Commissioner Sides dissenting.

FUND 101

Commissioner Coltrain said he wanted to do what could be done first and foremost for employees and he wanted to fund the Rescue Squad (Squad) at the average the County should as indicated by a recent survey. Commissioner Coltrain said those were the two (2) of his main issues, and perhaps other issues with the management and organization of the Squad.

Commissioner Sides said his major fault with Fund 101 would be the school budget and reinstating the \$481,000 the County Manager had taken out. Commissioner Sides said he would spend the \$481,000 to build an EMS station up in the western portion of the County.

Commissioner Ford preferred to save the extra money; however, he said if the Board was going to spend it, he supported an EMS station in western Rowan County. Commissioner Ford said the major flaw he had with the budget was giving the schools the money when it has been proven that the number of students had gone down.

Commissioner Barber said he needed one more board member to agree on a tax cut. Commissioner Barber said the fundamental flaw he had with the budget was the tax rate.

Chairman Mitchell asked Commissioner Barber if he would support Fund 101 if the tax rate were cut to 62 cents. Commissioner Barber said the Board needed to discuss the other issues first.

Chairman Mitchell asked which issues and Commissioner Barber answered employees, schools, and the EMS Station.

Commissioner Barber went on to say that he had been pushing for an EMS station in the west Rowan area since February 2007. Commissioner Barber said the County could now afford the station.

Chairman Mitchell questioned Commissioner Barber if those were the two (2) things in the budget that were a problem for him, the tax rate and the lack of an EMS station.

Commissioner Barber added that County employees were also a problem.

Commissioner Coltrain said as far as an EMS station, he had asked the County Manager and the EMS Director to begin conversations with Cleveland officials in planning for the station.

The Board continued to discuss the EMS station, tax rate, and some type of compensation plan for the employees.

Chairman Mitchell said the Board would need to meet again prior to June, 30, 2012 to vote on Fund 101 and that the Board would discuss a date prior to adjourning.

10. CONSIDER APPROVAL OF BUDGET AMENDMENTS

Finance Director Leslie Heidrick presented the following budget amendments for the Board's consideration:

- Finance – To budget revenues received and expenditures for the purchase of 80 gal. rain barrels for Horticulture at Cooperative Extension - \$3,500
- Finance – To budget Trauma-Focused Cognitive Behavioral Therapy Grant per JCPC Level III Program Agreement - \$87,056 and to adjust the County's budget to match Wraparound Rowan Grant revision - \$36,784
- Health – Increase Pregnancy Care Management Program (\$13,928) and Child Care for Children Program (\$13,452) Salary and Fringe Benefits for fiscal year end and 27 pay periods
- Increase in revenues received for preparing tax notice billings and to increase expenditures for postage for debt set-off, garnishments and delinquent billings for the City of Kannapolis - \$26,000
- Finance – Revise the fire departments budgets to allow for increased collections - \$48,500
- Finance – Budget additional revenue and appropriate fund balance to cover worker's compensation claims expenses for the remainder of the fiscal year - \$281,300

Commissioner Sides moved approval of the budget amendments as presented. The motion was seconded by Commissioner Barber and passed unanimously.

RENEWAL OF ALPHA AIR SERVICE, LLC LIMITED FBO AGREEMENT

(This item was pulled from the Consent Agenda for discussion)

Commissioner Sides referred to page 5 and pointed out an error with a footnote that said "deleted". Commissioner Sides said he thought the footnote was to delete the sentence when it was evidently deleting a space in between the word four (4) and three (3) and that space should be put back for the sentence to be intact. Commissioner Sides said based on the change, he moved approval of the new lease with two spaces to operate. The motion was seconded by Commissioner Ford and passed unanimously.

LEASE AGREEMENT FOR PURCHASE OF SWAIM PROPERTY ON ROWAN MILL ROAD

(This item was pulled from the Consent Agenda for discussion)

Commissioner Sides said the County was buying a piece of property with federal money to rent the property back to the current owner for a period seven years. Commissioner Sides said he had some concerns about using a federal grant to buy property and make money off the property to put into the general fund.

Commissioner Sides moved to accept the contract terms but that the money should go into the Airport Fund to be used for improvements and upgrades at the Airport. Commissioner Ford seconded and the motion passed unanimously.

11. CONSIDER APPOINTMENT OF TAX ADMINISTRATOR

Commissioner Ford moved that the Board now enter Closed Session pursuant to North Carolina General Statute § 143-318.11(a)(6) for Personnel Matter(s). The motion was seconded by Commissioner Sides and passed unanimously.

The Board returned to Open Session at 10:40 p.m. No action was taken.

RECESS

Chairman Mitchell recessed the meeting until June 25, 2012 at 8:30 a.m.

Respectfully Submitted,

Carolyn Athey, CMC, NCCCC
Clerk to the Board/
Assistant to the County Manager